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INTRODUCTION.

Appointment of the Committee.—The Committee was established by the following Government Order :—

ORDER No. M. 1477-538—G. M. 33-45-1, DATED BANGALORE, THE 21ST AUGUST 1945.

At the Dasara Session of the Representative Assembly held in November 1944, the following Resolution was passed :—

> "This Assembly recommends to the Government of His Highness the Maharaja that with a view to eradicate bribery and corruption, a separate department be opened and a Committee consisting of elected members of this House be constituted to give proper suggestions in the matter."

The need for the adoption of special measures in this behalf was also stressed at the Session of the Legislative Council in June 1945, by way of a cut motion in connection with the voting on the grant under "12. General Administration."

With a view to maintain purity in the services, comprehensive rules have been laid down, under which cases of corruption in the public services are dealt with. These rules cover the mode of enquiry into such cases and provide for prosecution in a Court of Law in grave cases of misconduct and for a departmental enquiry in other cases. Detailed circular instructions have also been issued to the Deputy Commissioners and Heads of Departments from time to time, impressing on them, among other things, the need for surprise inspections, for prompt personal enquiries into allegations of corruption and for taking suitable and adequate disciplinary action in all cases where the charges have been proved.

In view of the opinion expressed in the Representative Assembly and the Legislative Council, Government consider that the desirability of taking further steps in

the matter may be examined with advantage by a special committee and are accordingly pleased to direct that a Committee be appointed with the personnel noted below :—

CHAIRMAN.

Rajamantradhurina Sir Albion Rajkumar Banerji, C.S.I., C.I.E.

MEMBERS.

1. Mr. G. Sundara Rao, B.A., Director of Food Supplies.
2. „ N. S. Hirannayya, M.A., Secretary to Government, Education Department.
3. „ D. S. Mallappa, Member of the Legislative Council.
4. „ B. R. Chandrasekhariah, B.A., Member of the Representative Assembly.
5. „ A. J. Khaleel, B.A., B.L., Member of the Representative Assembly.
6. „ A. Middleton, Member of the Representative Assembly.

The Committee is requested to submit their report to Government as early as possible.

Heads of Departments and Deputy Commissioners of Districts are requested to give the Committee all facilities for the conduct of the investigation.

N. S. HIRANNAYYA,
Secretary to Government,
Education Department.

2. Mr. A. Middleton, one of the members, having pleaded his inability to work as member of the Committee, Government in their Order No. 2579-80—G. M. 33-45-11, dated 25th September 1945, appointed in his place another member of the Representative Assembly, *Lokasevasakta* Mr. L. Vema Reddi.

3. The personnel of the Committee having been finally fixed, it held its first meeting on the 7th of September 1945 from which day onwards the committee met thirteen times and finally considered its report at meetings held on the 1st, 2nd, 3rd and 18th of February 1946.

4. A brief Who is Who in respect of the Committee is given as an Appendix (Appendix I).

5. At the preliminary stages, the committee went into the question of the nature of the investigation to be made, the evidence to be called for, and the procedure to be adopted in respect of their investigations.

6. **Terms of Reference and Scope of Enquiry.**—The Committee at the very first meeting gave careful consideration to the direction contained in the Government order to examine the question of taking further steps in the matter of checking and dealing with corruption.

7. We therefore devoted our attention to —

(*i*) a close examination of the existing rules and orders of Government on the subject;

(*ii*) how far they have fulfilled the purpose; and

(*iii*) what further steps, if any, other than those already taken are necessary.

8. The limited terms of reference and the Government's reply to the Committee's request to extend immunity to the Members and witnesses made it clear that no elaborate enquiry by a Roving Commission was contemplated. We fully realised the extremely delicate nature of our task. We also had in our mind the previous history of the subject of bribery and corruption that came up for discussion in the legislative bodies in the State during the past 20 years or more. We have naturally refrained from making any statements which would create a wrong impression as to the morale of the Public Servants of the State or in any manner throw a damper on the ardour of the representatives of the people in the Legislature who have shown on various occasions laudable eagerness to purge the administration of the evil and improve its morale.

9. **Previous History of Public Representations on the Subject.**— It would perhaps enlighten public opinion if a brief reference is made to past discussions on the subject in the Legislative Council and the Representative Assembly, which will, with advantage, provide a background for what is to follow in our Report.

Representation at the June Session of the R. A. in 1922.

10. As long ago as 1922, a subject was brought up at the Birthday Session of the Representative Assembly urging the adoption of measures to prevent bribery in certain departments such as Registration and Railways, and pressing also for indemnity to bribe-givers by an amendment of the Indian Penal Code. It would be interesting to read the reply of the Dewan-President (the

Chairman of this Committee) on that occasion; and this is printed as Appendix II-A.

Resolution at Legislative Council Session of December 1924.

11. Two years later, a resolution was brought up at the Autumn Session of the Legislative Council in 1924, recommending that a small permanent organization consisting of non-official members of the Legislative Council and members of Government be formed to enquire into all cases of corruption in the various departments of Government and to recommend to Government the necessary action that may be taken in each case. In commending this resolution for adoption by the Council, the mover narrated how corruption existed to a large extent in some departments like Revenue, Excise, Registration, Police, Clerical Branch of the Civil Courts, etc., and how it was in practice extremely difficult to prove cases and how it would be dangerous even to make accusations. He further referred to the steps that had just then been taken by the Government of the Punjab in the matter and urged the adoption of similar measures in Mysore. In replying to the debate on the resolution the then Dewan-President (Chairman of this Committee) referred first to his speech at the Assembly (*vide* Appendix II-A) and his reply is appended to this Report as Appendix II-B.

12. The resolution was withdrawn by the mover on the assurances contained in the reply.

During 1924-36.

13. There do not appear to have been very many occasions on which the question was raised in the following years until recently. However, in the Dasara Session of the Representative Assembly during 1927, there was a representation to the effect that the bribe-giver in alleged cases of corruption should be exempted from prosecution. This representation was noted. The matter was taken up again in the form of a cut motion at a Session of the Legislative Council in June 1933, when it was brought to the notice of Government that there was a great deal of corruption in the Police Department. The Dewan-President on that occasion, while observing that it was quite unfair to blame the whole department because there were allegations against a few of its members, assured the House that Government would do what they could and invited the co-operation of the public. Mr. D. S. Mallappa, one of the members of this Committee, moved a similar cut motion in 1936 (in the Budget Session of the Legislative Council) in respect of the same department, but withdrew it after urging that when specific

instances were brought to notice, Government or the authorities should not hesitate to take drastic action against those concerned.

During 1936-42.

14. The subject figured more than once in the Budget Sessions of 1937, 1938 and 1941 in the course of the general discussions on the Budgets. In dealing with the observations made by members in the course of their speeches, the Dewan-President refused to believe that corruption was rampant in the State but agreed that there should be no trace of it anywhere and assured the members that the Heads of Departments concerned and Government would take severe action against officials found to be corrupt, and also pleaded for the co-operation of non-official gentlemen in that behalf.

During 1943.

15. Considerable attention has been given to the subject, as already indicated above, at the several Sessions of the Houses of Legislature during the last few years. This increasing emphasis laid on the question by the members of the Legislature in the recent Sessions is perhaps understandable in view of the unprecedented expansion of the various departments of Government and the creation of various new ones on account of the conditions created by the war, and the consequent increase of opportunities for the spread of the evil. In the course of these proceedings at the various Sessions, there has been noticeable a great deal of criticism regarding particular departments such as the Excise, Registration, Railway, Police, Public Works, Forest, Food Supplies and Civil Supplies. At the December Session of the Legislative Council in 1943, for instance, a question was asked whether it had come to the notice of Government that bribes were being demanded at Sub-Registrars' offices and if so what action had been taken in the matter. The answer given on behalf of Government was that some allegations had been made and that necessary instructions had been issued to the Inspecting Officers to pay frequent surprise visits. The methods adopted by Government to check corruption were the subject-matter of another question in the same Session, and the reply by Government invited attention to the action taken by them in this behalf through the issue of suitable instructions. Two more questions were asked in the same Session on the subject, one referring in particular to the alleged corruption in the sale of agricultural implements

and the other to corruption in the Food Supplies Department. It was pointed out in the replies to both these questions that the cases that came to notice were being enquired into and suitable punishments awarded where necessary, and that arrangements had been made for adequate supervision by the Inspecting Officers. Reference was also made to the revised rules framed in 1917, prescribing the procedure for securing prompt enquiry into cases of serious complaints and irregularities, including those of corruption.

Interpellation *re* Food Supplies Department in June 1944 at the R. A.

16. In the course of an interpellation at the Budget Session of the Representative Assembly in 1944, statistics were asked for regarding the number of Government servants against whom complaints of corruption had been received ever since the commencement of Food Control operations, the number out of these belonging to each of the Revenue, Excise and Food Supplies Departments, and the number of cases brought to notice by non-officials and of those detected by official agency. It was disclosed that so far, complaints had been received against 80 officials, and that suitable action had been or would be taken in all those cases. It was also pointed out that a Special Superintendent of Police had been posted to the department for the purpose of directing the detection and investigation of such cases. It was admitted in this connection that none of the persons who were alleged to have offered or given bribes had been prosecuted though the bribe-takers in such cases had been. Replies very much on the same lines were given to another question (*re* complaints of corruption in the Food Supplies Department) in the Budget Session of the Legislative Council in the same year.

Resolution at the November Session of R. A. in 1944.

17. Perhaps the longest debate on this question on the floor of the two Houses was on the resolution moved by Mr. K. Manjappa at the Representative Assembly at its Session of November 1944, referred to in the Government Order. Considerable discussion took place on this resolution and in replying to the debate on behalf of Government, the Hon'ble Minister for Public Works and Industries, after referring to the instructions issued by Government from time to time to the officers concerned in this behalf, and assuring the House of the whole-hearted desire of Government to put down the evil, appealed for public co-operation.

Interpellation at the L. C.

18. It must be noted here that the idea of forming a Committee for giving suitable suggestions in

the matter and of forming an Anti-Corruption department was mooted in this resolution for the first time in recent years. The idea was pursued at the Legislative Council Session of June 1945 by means of an interpellation by Mr. K. Manjappa, who asked what steps Government had taken in pursuance of the resolution passed in the Assembly. It was then stated on behalf of Government that the matter was under consideration. In the course of the answers, it was admitted that Government were aware of the prevalence of corruption in some departments, and it was further stated by the Hon'ble Minister (Mr. M. A. Sreenivasan) answering the question :—

"Government are second to none in their anxiety to put down corruption and eradicate this evil which is a shame on the services. They have taken every possible measure and it will take me too long to narrate those measures. I may assure the Honourable Members of this House that the eradication of corruption has been prominently under consideration. The fact that the particular resolution passed last year is still under consideration does not mean that other measures that are considered more appropriate or of a more effective character have not been adopted."

Cut motion at the same Session.

19. The matter was taken up again in the course of debate on the cut motion at the same Session of the Legislative Council moved by the same member. In the course of the speeches by the non-official members, references were made to the resolution of the Assembly and it was pointed out that action should have been taken in pursuance of that resolution; and it was also urged that a special agency or department should be set up and an active and concerted drive against corruption instituted. In the course of the replies by the Government spokesmen, it was stated that while they were not going to assert that there was no corruption in the State and were not also against the cut motion, vigorous steps had already been taken for suppressing the evil, several officials, high and low, having been dealt with according to Rules on charges of corruption, and that admittedly the conditions in Mysore were certainly not as bad as they were in some places outside.

Ultimate result of the representations.

20. It will thus be seen that during a period of over two decades, the representatives of the public in the Mysore Legislature have, on and off, pressed the matter for the attention of Government and from the replies given by the Head of the Administration and by the Members of

Government and Ministers from time to time, it is also clear that they had in view all the time the necessity for taking all possible measures, without going to the length of appointing a Committee. Finally, however, they yielded to the popular demand, and this Committee came into being.

21. After having gone through the various stages of discussion which have been detailed above, the Committee proceeded to collect all relevant information that would help them in framing necessary recommendations and instituted enquiries, such as, statistics pertaining to cases of corruption dealt with during the last three years, revision and reorganisation of the scales of pay and allowances of subordinates in all departments getting below Rs. 250 per mensem, the number of offences detected and dealt with under the Defence of India Rules since the commencement of control operations, the nature and extent of executive powers now exercised by subordinates of the various departments, and the number of surprise inspections conducted by Heads of Departments and Deputy Commissioners under the rules.

22. **Procedure of the Committee.**—At one of the earliest meetings, the Chairman of the Committee indicated in a brief note the question of procedure from which the following extracts may be quoted :—

" While it is necessary to study Government action in British India and some of the Indian States regarding this important matter, it is also necessary to keep in view the local conditions prevailing in Mysore when examining the question whether the orders already in force are adequate to meet the present situation.

" It is needless to assert that there are two sides to the question. Public attention is generally bestowed on Government Servants when they fall victim to the temptation of taking bribe, but adequate attention is not paid to the fact that the Public Servants, while under the temptation referred to above, are to a great extent influenced by the dishonesty of corrupt practice indulged in by the public who have anything to do with them in their official capacity. If, therefore, corruption has increased in the Public Services, the practice on the part of those who offer bribes also has correspondingly increased.

* * * * *

" What are the causes for this state of affairs ? We may deal with the question from another aspect. As preventive measures, we have quite a large set of rules for the guidance of officers in the Public Services, specially superior officers, who

are really responsible for the good conduct of their subordinates. But very little attention seems to have been paid in the past to encourage members of the public to come forward with information and also to give protection to those who give information of the kind referred to above, even if they be culprits in the eyes of Law for having offered the bribe.

"We may compare the Rules that have been framed in other Provinces, especially in the Central Provinces, United Provinces and Bombay and see to what extent they may be amplified and improved upon and then we may start to draw up a complete list of suggestions for the acceptance of Government in this behalf."

23. To elicit public opinion the Committee decided to frame a questionnaire consisting of sixteen questions, which will appear as Appendix III at the end of this Report. The questions were directed to bring out the salient features of the problem in all its bearings. The Committee issued the Questionnaire in a printed form both in English and in Kannada to the undermentioned persons and institutions :-

1. Members of the Legislative Council.
2. Members of the Representative Assembly.
3. Heads of Departments.
4. Deputy Commissioners of Districts.
5. Presidents of City and Town Municipalities.
6. Presidents of District Boards.
7. Bar Associations.
8. Merchants' Associations.
9. Chamber of Commerce.
10. Editors of the local Newspapers.

24. Copies were sent to the Publicity Officer to Government for making them available to the Press through the agency of the Press Table. Special arrangements were made for the distribution of copies of the Questionnaire to the Representative Assembly members at Mysore while the Assembly was in Session. Copies were also supplied to several prominent non-official gentlemen either at the instance of the Chairman and of the members of the Committee or on their asking for them. Time was allowed till the end of October 1945 to reply to the Questionnaire, but subsequently the period within which replies were to be sent was, at the request of certain sections of the public, extended till the middle of November 1945. A statement containing the number of persons and institutions addressed and the number who replied appears in Appendix IV of this report, followed by a complete list of those who replied (*vide* Appendix IV-A). It will be seen

therefrom that only about 26·9 per cent of those addressed actually have sent in replies.

25. The fact that a Questionnaire was being issued to the persons and associations already mentioned above, was duly reported to Government in the Committee's communication of 27th September 1945, and a request was made that Government may be pleased to give an assurance that any information or statement made in answer to the Questionnaire, whether of an incriminating character or otherwise, should be immune from any action to which the individuals concerned may be liable, and that no such statement or information should be made use of against them by Government.

26. To this request Government replied that as the function of the Committee was not to enquire into complaints and cases but only to report on the nature and extent of the evil and the *modus operandi* and to suggest remedial measures, it seemed quite possible to return the fullest answers to the questions without seeking to incriminate or implicate any individual in a manner which would come under the definition of defamation, and that in the circumstances, they considered that it would not be desirable to grant any special protection or immunity.

27. From the above it would be noted that the question of procedure to be followed by the Committee was thus more or less settled; they awaited replies to the Questionnaire from the various sources which they decided to approach.

CHAPTER I.

Existing Anti-corruption Measures in and outside the State.

28. We begin with an account of the several measures in force in Mysore for checking corruption. For the sake of comparison and enabling a better understanding of some of our recommendations, it is necessary to make mention of the measures taken by some other Governments in India, more particularly in recent years. These measures may be divided broadly into two classes—Statutory and Administrative—and will be dealt with in that order.

(i) Mysore.

29. **Statutory Measures.**—As statutory measures, we have in Mysore the usual provisions of the Indian Penal Code making punishable the offences of accepting illegal gratification, etc. The substantive portions of the relevant sections are reproduced below:

Sec. 161.—Whoever being or expecting to be a public servant, accepts or obtains, or agrees to accept, or attempts to obtain from any person, for himself or for any other person, any gratification whatever, other than legal remuneration, as a motive or reward for doing or forbearing to do any official act or for showing or forbearing to show, in the exercise of his official functions, favour or disfavour to any person, or for rendering or attempting to render any service or disservice to any person, with the Legislative or Executive Government of India, or with the Government of any Presidency, or with any public servant, as such, shall be punished with imprisonment of either description for a term which may extend to three years, or with fine, or with both.

Public servant taking a gratification other than legal remuneration, in respect of an official act.

Sec. 164.—Whoever, being a public servant, in respect of whom either of the offences defined in the last two preceding sections is committed, abets the offence, shall be punished with imprisonment of either description for a

Punishment for abetment by public servant of the offences defined in sections 162 and 163.

term which may extend to three years, or with fine, or with both.

Public servant obtaining any valuable thing without consideration, from persons concerned in any proceeding or business transacted by such public servant.

Sec. 165.—Whoever being a public servant, accepts or obtains, or agrees to accept or attempts to obtain, for himself or for any other person, any valuable thing without consideration, or for a consideration which he knows to be inadequate, from any person whom he knows to have been, or to be, or to be likely to be concerned in any proceeding or business transacted or about to be transacted by such public servant, or having any connection with the official functions of himself or of any public servant to whom he is subordinate, or from any person whom he knows to be interested in or related to the person so concerned, shall be punished with simple imprisonment for a term which may extend to two years, or with fine, or with both.

30. The offences under these Sections, it may be noted, are not cognizable. While only the public servants concerned are made punishable under these Sections, those who give bribes are punishable as abettors under Section 109, I.P.C.

31. **Administrative Measures.**—The administrative measures in Mysore are of two kinds: preventive and procedural. The former classification includes all those measures which are calculated to prevent a public servant from stooping to corrupt practices; the latter class of measures provides for the procedure to be adopted in cases detected or otherwise coming to notice.

(a) Preventive: — (i) Government Servants' Conduct Rules.

32. As preventive measures we have, first, the Government Servants' Conduct Rules and of these, those which bear directly on the question we are dealing with may be briefly touched upon. These are printed in extenso in Appendix V. The receiving of any gift, reward or gratuity by officers, apart from their lawful remuneration, without the previous sanction of Government, except articles of trifling value such as flowers, fruits, etc., is prohibited under these rules. The holding of public demonstrations and tea parties in honour of Government servants and the presentation of addresses to them is also definitely discouraged. Lending and borrowing by Government servants in areas or from persons under their jurisdiction are prohibited, and disciplinary action to the extent of dismissal has been prescribed for habitual or incorrigible indebtedness among officials. Government

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servants are not to acquire immovable property without obtaining competent sanction, and the grant of Government lands at upset price to Gazetted officers except under special orders of Government is strictly prohibited. Government servants holding or possessing lands must not take a direct part in the cultivation of such lands, and every Government servant or candidate for Government service must make to the Government through the usual channel, a declaration of all immovable property held or acquired by him from time to time or held and managed by his wife and dependants. Deputy Commissioners and Heads of Departments are to maintain registers in prescribed forms of all lands held by themselves and their subordinates.

33. Further, Government servants are precluded from making speculative investments, from taking part in private trade or employment, from receiving free passes for or securing free entry into cinemas or other places of entertainment. In connection with the tours undertaken by officers who are required under the rules to do so, it is laid down that previous notice and money in advance should always be given to those entrusted with the task of obtaining camp supplies, particularly village officers. The acceptance or offer of free supplies would, according to the rules, be regarded with disfavour by Government and would be attended with severe punishment.

(ii) Circulars

34. Besides these rules, an auxiliary set of instructions and directions have been issued from time to time in the form of Confidential Circulars, reproduced in Appendix VI. Prominent and one of the earliest among these is the one issued by the Dewan (the Chairman of this Committee) in 1922, almost immediately after his assuming that office, exhorting Deputy Commissioners of Districts to pay close attention to the detection of cases of corruption, to pay surprise visits to subordinate offices, to make confidential enquiries and maintain records of the information collected by them and to make full use of them in putting down irregularities. More Circulars have followed since then, and what is perhaps the latest, issued in 1943, has reiterated the need for constant vigilance and supervision by routine as well as surprise inspections by superior officers.

(b) Procedural.

35. The relevant rules regarding the procedure for dealing with cases of irregularities are contained in Chapter X of the Manual of General Circulars and

Standing Orders. These rules were first drawn up, in a form closely resembling the present one, by the Efficiency Audit Branch in 1915, providing for the deputation of an officer of the Efficiency Audit Department for investigating and reporting on the allegations in certain cases. They were revised in 1917, and as so revised, are in force at the present moment. They are primarily applicable to officers who are not removeable except with the sanction of Government, but the procedure laid down is to be followed *mutatis mutandis* in the case of subordinate officials also. According to these rules, in every case of alleged grave misconduct on the part of an officer in connection with his public duties, an informal and confidential enquiry is first held either by the official superior or by an officer deputed specially for the purpose by Government. If this preliminary investigation were to disclose misconduct of a grave character, the competent authority decides whether the matter should be dealt with departmentally or whether a prosecution should be instituted. When it is decided to prosecute the official, he is placed at once under suspension, and if conviction in a Court of Law results, the departmental punishment is generally awarded without further enquiry. If, on the other hand, the official is acquitted, he will be entitled to reinstatement unless the acquittal is on technical grounds or on account of a legal flaw or collusion of parties. The departmental enquiry, when held, will be in quasi-judicial form by an officer nominated for the purpose, who will frame distinct and definite charges and furnish copies thereof to the accused; evidence will be adduced in the presence of the latter and the right of cross-examining the prosecution witnesses and of defending himself is given to him. Though the enquiring officer is not bound by the technical rules of the Evidence Act, the enquiry is to be conducted on the universally recognised canons of fair dealing. Even evidence which conduces to moral conviction should be submitted by the enquiring officer for consideration by the authority competent to pass orders or award punishment.

36. With regard to the nature of punishment, the rules lay down that fraud and dishonesty, continued and wilful negligence and all offences involving moral turpitude meet with their appropriate punishment in dismissal; and in every case in which that punishment is inflicted on just grounds, the official concerned should be deemed to have

been permanently excluded from Government employment. Dismissals are required to be notified in the Gazette in cases where the appointment of the official concerned was gazetted, or when it is specially desired to exclude him from re-employment, or when it is considered necessary to notify it for any other reason. An appeal lies from an order of dismissal to the authority superior to the one passing the order.

37. The sufficiency and efficacy of the measures detailed above will be considered in due course.

(ii) Other parts of India.

38. The measures taken by some of the other Governments in India also fall naturally into the two categories mentioned earlier, *viz.*, Statutory and Administrative. It will however be advantageous to deal with them together while taking up the instance of each of the Governments about which we have information. The more recent measures taken everywhere have naturally a close bearing on the conditions created by the war and mostly have application to the Defence Services and the Supply and Railway departments.

(i) Government of India.

39. Two Ordinances were issued by the Central Government in 1943, one constituting a Special Police Establishment and the other empowering the constitution of Special Tribunals to try cases of bribery. The investigations of the Special Police Establishment constituted by the first Ordinance are to have three main purposes :

(i) to discover corruption in the Defence Services and in the Supply and Railway Departments and to enquire into all offences and allegations of corruption in those departments forwarded to them by the officers concerned ;

(ii) to obtain sufficient evidence for the successful prosecution, either before a Court-martial or a Criminal Court, of those concerned in it, or when that is not possible, for regular departmental proceedings ; and

(iii) to make recommendations for remedying any organisational defects which facilitate corruption.

40. The Special Tribunals constituted under the second Ordinance consist of three persons, two of whom including the presiding officer are generally persons eligible for appointment as High Court Judges, and are empowered to try all the cases referred to in the Ordinance generally cases of bribery detected and investigated by the

Special Police Establishment) and to pronounce any sentence authorised by Law. No appeals lie from their decisions but revision petitions may be preferred to the High Court. It is interesting to note that with regard to the rules of evidence in such cases, the following provisions in the nature of innovations appear in the Ordinance.—

(i) the fact that any person charged before the Tribunals under Section 161 or Section 165 of the I.P.C. is in possession, for which he cannot satisfactorily account, of property or pecuniary resources disproportionate to his known sources of income may be proved and may be taken into consideration by the Special Tribunals as a relevant fact in deciding whether he is or is not guilty of the offence charged; and

(ii) where it is proved, in the course of such charges, that the person accused has accepted or agreed to accept any gratification from any person seeking to obtain any facilities for transport or contract from any Government or department thereof, it shall be presumed, unless the contrary is proved, that he accepted it as a motive or reward such as is mentioned in Section 161, I.P.C.

(ii) The Punjab.

41. It is in the Punjab that the earliest steps for eradicating corruption appear to have been found necessary and adopted. In 1921, the Government constituted a Committee of officials and non-officials to suggest suitable measures for the purpose and the following are among those recommended by them:

(i) Government's intention to stamp out the evil should be widely advertised and the responsibility of superior officers for the conduct of their subordinates impressed on all officers;

(ii) more attention should be paid to the reputation of an official in making promotions;

(iii) active propaganda against the evil should be instituted with the co-operation of non-officials;

(iv) there should be a more careful check over the acquisitions of property by officials;

(v) deterrent and exemplary punishments should be awarded in proved cases; and

(vi) in cases of suspected extortion of bribes the giver should invariably be granted a pardon.

42. The Punjab Government accepted most of the recommendations at the time and took action accordingly, and since then several circulars and instructions have followed. Chief among the other steps taken by that Government are—

(i) the constitution in 1926 of a Panel of retired officers of high status and repute, one among whom would

be selected for enquiring into every case of corruption, and

(ii) the establishment in 1929 of a Special Enquiry Agency under the direct control of the Chief Secretary to detect and investigate cases of corruption and to watch suspects.

In one of its recent circulars, the Government has also emphasised the need for a vigorous application of the rule regarding the withholding of pensions of officers whose reputation has been unsatisfactory.

(iii) Sind.

43. The Government of Sind recently set up an Anti-corruption Sub-Committee with reference to the Public Works Department of the Province, and among the principal recommendations made by them are :—

(*a*) that officers should not get their camp supplies through their subordinates but either take them with them to the camps or purchase them through their private servants ;

(*b*) that the personnel taken for touring with officers should be the minimum but that the rate of travelling allowance should be suitably enhanced ;

(*c*) that no officer of Government should accept any tea party at the hands of the public except as a private guest of individuals or from associations and institutions ;

(*d*) that officers should be compelled to give in annual declarations of property—lands, bank deposits, investments, etc., —held by them ;

(*e*) that payment of contractors' bills should be made promptly and officers transgressing this rule severely punished ;

(*f*) that selection of personnel for the services should be made carefully and promotions also given with an eye to honesty and proved merit ; and

(*g*) that persons coming forward to prove that they have offered or were made to offer bribes should be exempted from prosecution.

44. In this case too, the Government were in agreement with most of the recommendations, but in regard to the last, they said that it actually obtained in practice in most cases.

(iv) Bengal.

45. Considerable space and attention have been devoted to the subject of corruption in their Report by the Bengal Administration Enquiry Committee, set up by H. E. the Governor in December 1944 under the Chairmanship of Sir Archibald Rowlands, present Finance Member of the Government of India. Their suggestions,

in this behalf, most of which are applicable all over India, are these :

(i) that offences under Sections 161 and 165, Indian Penal Code, should be made cognisable with certain safeguards;

(ii) that the onus of proof of the innocent nature of the transactions in cases of receipt of money or other gratification by a public servant should, as in the U. K. Act of 1906, be on the offerer and the acceptor and not on the prosecution;

(iii) that Section 162 of the Criminal Procedure Code should be amended so as to admit in evidence the statements made to police officers in the course of investigations;

(iv) that rules relating to permits and licences in the control departments should be precisely drawn up and selection of officers to exercise powers under them made with the greatest care and supervision over them also tightened;

(v) that public servants should be enjoined to report at once to their superiors any case of offer of bribe; and

(vi) that public servants convicted of corrupt practices should be instantly dismissed and deprived of all their service benefits.

(v) Bombay.

46. The Government of Bombay ordered some time ago the constitution of District Anti-corruption Committees, with the Collector as Chairman and the District Superintendent of Police and two non-officials as members, to co-operate with Government in suppressing the evil and to advise and to take all such measures in consultation with the Heads of Offices in the districts as they consider necessary, including the educating of public opinion.

(vi) Other Provincial Governments.

47. A number of administrative instructions and executive orders have been issued by the Governments of the United Provinces, Central Provinces and Berar, Bengal and Madras on the subject. Two of them, adopted in more than one Province, may be mentioned here. One is to the effect that when five or more disinterested persons join in making specific allegations in writing, signed by them, against any official, investigation and enquiry in pursuance of such a complaint is compulsory; another suggests to officials who are offered bribes the expedient of trying their best to secure witnesses for the transactions without engendering suspicion in the minds of the offerers.

48. The series of circulars issued by the Government of Madras about the way notoriously corrupt officials should be dealt with are noteworthy. According to them, the fact that an officer's reputation is notoriously bad

affords just ground for the Government to refuse to continue to be represented or served by him, even though no single act of corruption is judicially proved. The Rowlands Committee of Bengal have also emphasized this idea by quoting *in extenso* the observations of the Report of the Board of Enquiry *re* the British Civil Service, set up in 1928. The Indian Police Commission emphasized this same aspect in a very pointed manner as long ago as 1902. What they said is worth quoting:—

"Under Section 117 (3) of the Criminal Procedure Code, the fact that a person is a habitual offender may be proved by evidence of general repute, and if such evidence is admissible to establish a conclusion which may lead to the infliction of imprisonment for a term of three years, the Commission see no reason to exclude it in an enquiry into the character of an officer, when the result of that enquiry will, at the most, result in removal from the public service . . . . . "

(vii) Kashmir.

49. Among the Indian States, those of Hyderabad and Kashmir have been prominent in that they have taken special measures to suppress the evil. Recently, the Government of Kashmir passed an ordinance called the Prevention of Corruption Ordinance, providing for the appointment of a Commissioner (of the status of a High Court Judge) or a Commission (of three persons presided over by a person of that status) to enquire into any case referred to it by His Highness the Maharaja in which it has appeared to him that there are reasonable grounds for believing that the public servant concerned has acquired property by unlawful means while in service. The Commissioner or Commission is to report through the Prime Minister to His Highness the Maharaja who may pass such orders thereon as he deems fit, including an order of confiscation of the unlawfully acquired property.

(viii) Hyderabad.

50. In Hyderabad, an Anti-corruption department headed by a Deputy Director-General of Police and working directly under the orders of the President of the Executive Council is understood to have been set up some time ago. Cases are referred to it for investigation by the President, and reports are submitted to him. A Government servant is given the option of resignation or facing an Enquiry Commission in case his prosecution is deemed undesirable or expected to be infructuous. Cases fit for prosecution are launched before a Special Tribunal consisting of two members of the Board of Revenue and one non-official, in case they involve

persons of the Supply Department, and in the ordinary courts in other instances.

51. The committee have a considerable amount of information before them about some of the measures taken in this behalf by certain Governments outside India, but they deem it unnecessary to give an account of them as their object is to arrive at measures suited to the local conditions and needs.

CHAPTER II.

Results of the Committee's Investigations.— Replies to the Questionnaire.

52. In the light of the study made in the last Chapter of the existing Anti-corruption measures in and outside the State, we now propose to deal with the results of the Committee's investigations, firstly by the issue of the Questionnaire, and secondly by means of enquiries addressed to Heads of Departments and Deputy Commissioners and in other ways. In this Chapter will be set out an analysis of the replies received from officials and non-officials to the Questionnaire.

The questionnaire.

53. The Questionnaire issued by the Committee (*vide* Appendix III) consisted of sixteen questions, the last of which, for reasons already indicated, may be left out of consideration. The other questions bear principally on—

(i) the nature and extent of corruption in the services at present and the classes of persons involved;

(ii) the effect of war conditions and other factors on the problem; and

(iii) the remedial measures, including the mobilization of public opinion against the evil.

The response.

54. The Questionnaire was sent to over 550 persons and institutions and replies were received from a little over a quarter of the number addressed. The response was as good in its quality and suggestiveness as the Committee might have desired. Special notes on the subject were furnished in a few instances in addition to the replies, and we are obliged to the gentlemen concerned for helping the Committee in this manner. We have examined all the replies with the care and consideration they called for, and have taken due note of the opinions expressed and the suggestions made in the course of those replies in coming to our own conclusions and making recommendations.

General divergence of official and non-official views.

55. One prominent feature of the replies may as well be mentioned at the outset, and that is, the general divergence of the non-official from the official standpoint in regard to the several questions. Whether the question is about the existence or the scope and extent of corruption or about the need for special measures or the grant

of immunity to informants and bribe-givers, the consensus of non-official opinion is in most respects somewhat divergent from the official view. It may be said generally that while the official bloc of witnesses emphasizes the need to protect officers from malicious complaints and shows a disinclination to support the adoption of special measures outside the existing rules, the non-officials are equally emphatic about the prevalence of this evil in an aggravated form in recent years and the necessity for adopting drastic measures to deal with it adequately.

56. There are other opinions of still another class which may be regarded as a *via media* between the two. The general impression the Committee have formed on this point is, that supervising officers of Government do require a greater sense of responsibility, and this perhaps may be done by introducing an Anti-corruption Drive as indicated in the Recommendatory Chapter of this Report. While it may not be wholly correct to assume that the tendency disclosed in the replies of the supervising Officers to the Questionnaire is in the nature of a defence in answer to the charge of not carrying out instructions fully and strictly as regards prompt enquiries into complaints, punishments in cases proved, surprise inspections, confidential reports, etc., there can, however, be no doubt that a certain amount of laxity has been shown—according to the information before the Committee—which leaves, in the minds of Government servants a sense of security against punishment for misconduct and dishonesty.

57 We will now proceed to give an abstract of the answers to the various groups of questions.

Questions 1 and 4—Non-official views.

58. The majority of non-official answers given to these questions indicate the existence of corruption in most Departments of Administration but particularly in the Railway, Revenue, Excise, Forest, Public Works, Registration, Food and Civil Supplies and Silk Control departments. As regards the kinds of bribes and the forms adopted by the bribe-givers, it is alleged that besides those suggested in Question 1, *viz.*, mamools percentages on bills, payment of money or in kind such as supplies, etc., there are certain forms which fall into the following categories:—

(i) obtaining domestic supplies;
(ii) receiving gifts and presents;

(iii) securing free entry or passes into places of amusement;
(iv) free bus travel;
(v) commission for purchases by Government departments, etc.

The latter, the Committee believe, are more or less in the nature of tips or mamools, which are very difficult to detect. The official answers support the above and they attribute the practice to decline in public morality. It is to be noted that the official view generally is against wide-spread prevalence of corruption, although Public Works and Railway departments have been quoted by some as departments in which corruption is rampant. Official views.

59. Proceeding to the next group of questions, *viz.*, that relating to the present position with reference to war conditions and other factors, we see that a very large majority of non-officials are of opinion that bribery and corruption have indeed increased in the State to such an extent that further steps are necessary in addition to the Rules and Orders already in force. Most of them say that the conditions created by the war, such as the introduction of controls with the system of permits and licences, inflation, increased cost of living, etc., have to a very large extent been responsible for the present position; but they are inclined to the belief that the evil which has been in existence for a long time past has only received an accession of strength in recent years and has also had opportunities of spreading to the new departments created as a result of the war. Several factors besides war conditions are mentioned as having brought into being the present state of affairs. Among these are— Questions 2, 3 and 5—Non-Official views:

(i) the inadequate scales of pay of subordinate officials, the high cost of living and their inability to maintain themselves and their families according to their usual standards;
(ii) insufficient and ineffective publicity to the present anti-corruption measures, and absence of strict enforcement of those measures;
(iii) failure to take suitable notice of complaints and to award drastic punishments to delinquents, and generally, the lack of determined and earnest efforts on the part of those concerned to put down the evil;
(iv) absence of protection in law to informants and bribe-givers; and
(v) failure to pay due attention in recruitment and promotion to honesty and efficiency.

60. A few other causes, more general in character and somewhat academic in their bearing, such as the widespread illiteracy of the masses, the absence of 'Responsible' Government, the general decline in moral and spiritual values, and the inherent tendency of capitalistic society to breed corruption, are mentioned in certain instances.

Official views.

61. All the officers replying are, with rare exceptions, of the view that corruption has not increased to the extent of rendering special measures necessary and that war conditions alone have been responsible for such increase as there may have been of the evil. One officer however makes mention of the increased work in the several offices in the State and the consequent inability of officers to attend to all the prescribed duties, and almost endorses the general non-official view in that behalf when he says that owing to a mistaken notion of "Ahimsa," most officers are disinclined to report even against really bad men or to take drastic action against them. With regard to the question of punishments, another officer complains of the rather frequent, and as a rule undesirable, intervention by some non-official members of the Legislative bodies in the usual course of enquiry into cases of corruption with a view to securing exoneration or reduction in the punishment of delinquent officials.

Questions 6 to 14: Non-official views on—
(*a*) Questions 6 and 7.

62. The next group of questions, *viz.*, that relating to remedial measures of various kinds, is of course the most important. Consistent with the view that they have expressed under Question 2, most non-officials assert that special measures, both statutory and administrative in character, are necessary besides the strict enforcement of the existing rules as suggested in Question 7.

63. Among the normal administrative measures suggested by a very large section generally with reference to all departments are—

(i) improvement in the scales of pay and the prospects of subordinate officials with a view to relieving them of economic hardships, and at the same time the inculcation of thrifty habits among them and sympathetic and helpful guidance to them by superior officers;

(ii) strict enforcement of the rules regarding transfers at the end of three years and making village officers also liable for such transfers;

(iii) discouragement of extensions;

(iv) systematic weeding out of corrupt and suspected officials by setting traps and baits and by awarding severe penalties without regard to rank or status; and

(v) paying more attention to character and education in recruitment and promotion and avoidance of stagnation and supersessions and consequent demoralization in the services.

64. Certain remedies have been suggested by some with reference to particular departments. It is for instance said that in the Traffic Section of the Railway Department which usually comes in for the most violent criticism, the allotment of wagons for transport of goods should be entrusted only to the Gazetted Officers with "Wagon Vigilance Committees" in important commercial centres; and in the Registration Department, it is stated that the method of payment of registration fees in the form of stamps and of presenting the documents to the Amildar in the first instance may well be tried.

65. A very large number amongst the non-officials again suggest the constitution of a special agency for detecting and investigating cases of corruption as suggested in Question 8, though there are quite a few who doubt the value and efficacy of such an agency which in their view is a double-edged weapon and may become, if not properly manned, an instrument of oppression and blackmail rather than a power for good. There are some indeed who have, on the other hand, held that a 'Gestapo' or an 'Espionage' system should be established. The kinds of organizations envisaged in the replies are too numerous to permit a representation of all, in this necessarily brief survey; but the more prominent and frequently mentioned among them may be referred to :— (b) Questions 8 and 9.

(i) non-official investigators to be appointed in each taluk, their names being known only to a few top-men;

(ii) C.I.D. staff responsible to non-official leaders or to the Legislature;

(iii) non-official committees in districts or taluks with powers to enquire into and dispose of petitions *re* cases of corruption either by themselves or under the orders of a Central Committee;

(iv) a committee of officials and non-officials with a very highly placed officer as chairman and a detective staff for investigating cases and reporting results to the committee for disposal; and

(v) an Anti-corruption department under a very high and responsible officer with necessary detective and other staff, and with or without district advisory committees.

66. According to some, a special agency need be constituted only for a short period and dispensed with when no longer needed. The duties of such special agencies are mentioned as the detection, investigation and disposal of cases of corruption and the watching of suspects and of officials with reference, in particular, to the vicissitudes in the extent of their private property.

67. Opinion regarding Special Tribunals for the trial of these cases is mostly divided, but a fairly large number are for having them, especially in cases of a sensational or important character, or where gazetted officers are concerned, or when ordinary courts cannot cope with the work. The composition of such a Special Tribunal that seems feasible in the eyes of the larger number is: one presiding officer of the status of a High Court Judge, with non-officials as members. There are some who suggest that one or the other of the various committees suggested should play the role of Tribunals. It is again stated by some that the decisions and sentences of these Tribunals should be non-appealable; one or two, however, suggest appeals to the Dewan and a few others to Government.

(c) Question 10,

68. The idea of introducing Efficiency Audit, mooted in Question 10, has been almost universally welcomed, though there are a few who say that one or the other of the special agencies described above would be preferable and also sufficient. The large majority want that the system should be revived more or less as a permanent measure and placed directly under the charge of the Head of the Administration (one view being that it should be under the control of the Legislature). The need for keeping a constant watch over the system of work in the Departments and to ensure efficiency by reducing the scope for irregularities has been emphasised in this connection.

(d) Question 11,

69. As regards the powers enumerated in question 11, apart from a small minority, all are of the view that some or all of these powers should be granted, though not necessarily to the Efficiency Audit staff as suggested in the question. That the Special Detective Agency should be invested with these powers is the view of a large number. There are some who have advocated the conferment of these powers on Heads of Departments and some others on the Special Tribunals proposed by them. There are a few who would make the exercise of these powers subject to the jurisdiction of courts.

70. While the majority are in favour of the grant of all the powers mentioned, there are a good number who are against the idea of compelling officers to furnish statements of property belonging to their wives and children and near relatives, or of conferring the powers of search and seizure of property. There is also the opinion that the grant of any of these powers except that of calling for particulars about the officer himself would be inquisitorial and harassing in character, and that legislation for compelling banks, etc., to furnish information in respect of their clients would be undesirable. On the other hand, there are some who have suggested the taking of additional powers, such as power of confiscation of property acquired by corrupt means, and some others have advanced the suggestion that a comparison of the state of property of every official now and prior to the commencement of the war should be undertaken and necessary action taken in the light of the figures collected.

71. A number of measures which require legislation in some form have been suggested by the majority of those replying. An omnibus enactment embodying all administrative measures in force and defining the offences and punishments is suggested by a fair number, in the view that a statutory provision in such matters is always the safest and the most reliable. Some have of course, pointed out the necessity of amending the existing law or promulgating a fresh law for the constitution of Special Tribunals. The large majority, however, have suggested the amendment of the Law for the purpose of giving protection to informants and bribe-givers. Most of them suggest unqualified protection in all cases, but there are many who, being sensible of the fact that such protection might be used for harassing officials, are for restricting such protection to cases in which the giver has been led or compelled in any manner whatsoever to give the bribe. Amendment of the Law has also been suggested for shifting the burden of proof from the prosecution to the accused in cases of bribery charges, for relaxing the measure of proof required in such cases for conviction, and for enhancing the scales of punishment.

(c) Questions 12 and 14,

72. In regard to the idea of setting up District Anti-corruption or Vigilance Committees for aiding the official machinery in combating corruption, there are pronounced differences of opinion. But the larger number are for the setting up of such Committees,

and (f) Question 13.

though there are a good many who are not content to let them play an advisory role or merely to do anti-corruption propaganda but want that they should be given specific powers for investigation and report and even punishment. There are on the other hand, a good number who say that far from being in a position to do any good, they might do a lot of evil by extending corruption to non-officials and by becoming instruments of oppression and blackmail. The usefulness of the Committees is in any case genuinely doubted by a few. Among the other measures suggested for mobilising public opinion are—

(1) propaganda in the Press, on the platform, and by broadcasting in villages and towns,

(2) eradication of illiteracy, and

(3) a system of rewards to informants and immunity to them and to bribe-givers.

Official views on Questions, 6 to 14.

73. The views of the officers regarding remedial measures generally and regarding the particular suggestions made in the relevant questions may be briefly stated. As indicated already, the general view among them is that no special measures are needed and that a strict enforcement of the existing rules would do for the most part. It is said, however, that any fresh measures necessary would be of an administrative character, such as improvement in the scales of pay of subordinates and providing them with certain amenities such as quarters, etc., the imperative need for which has been earnestly emphasized by almost all. In the above view, therefore, the constitution of any special detective or other organisation is generally opposed by this section though there are one or two who say that their existence for a short time may have a salutary effect by keeping officials alert and inducing wholesome fear in their minds. Necessarily also, the suggestion regarding the constitution of Special Tribunals has not found favour in this section. With regard to Efficiency Audit, however, there is an almost wholesale support for its revival. There is, in general, no disposition among them to support the grant of all the powers enumerated in Question 11 to the Efficiency Audit or other organization. A good number, however, are agreeable to the grant of these powers with safeguards such as, reference to superior authority or to a Court of Law before actual exercise.

74. In answer to Question 12, no fresh statutory measures are generally advocated but increase in the scales of punishment for bribery offences provided for in the Indian Penal Code, and legislation for compelling banks etc.. to disclose details of property of public servants who are their clients are recommended by one or two. The idea of any wholesale protection to informants or bribe-givers is not supported, but there are a good many who have suggested the grant of exemption from prosecution in cases where there is reason to believe that the bribe has been extorted rather than voluntarily paid—exemption not by legislation but by an administrative act.

75. The idea of constituting District Anti-corruption Committees is deprecated in some cases for the reason that it will induce officials to shift their loyalty from the appropriate quarters to such Committees, but there are a few instances in which their formation is supported.

76. The above summary exhausts all the different shades of opinion—some pronounced, others vague and indefinite—that have been brought to the notice of the Committee through the answers to the Questionnaire issued by them. It is to be conceded that they could not be regarded as valuable evidence in support of the establishment of any particular point, but can at best be regarded as a general indication of public opinion, assuming that the answers from those who have chosen to answer the Questionnaire do represent certain sections of that opinion—either articulate or not—to which the Committee will give due weight with reference to the inferences that they have drawn as a result of their other investigations that will be dealt with in the next Chapter.

CHAPTER III.

Results of the Committee's Investigations (*contd.*)— Other Investigations and Enquiries.

77. The method and purpose of the Committee's investigations, apart from the issue of the Questionnaire, have already been described, and the matters regarding which inquiries have been made have also been mentioned. It is important to examine the material thus available, not only to judge the extent to which existing rules have been given effect to but to have an idea of the fundamental principles and factors leading to a proper appraisement of the problem.

(i) Statistics of cases of corruption during the last three years.

78. One method of judging how far the existing rules and orders have been given effect to and to what extent attempts have been made to put down the evil is to take into account the number of cases of corruption or allied offences (both against the Statutes and against the Rules) dealt with in recent years. Accordingly, very soon after the Committee was constituted, an enquiry was addressed to all the Heads of Departments and the Deputy Commissioners of Districts requesting them to furnish, in the form of a statement, information regarding the number of cases of corruption and bribery dealt with by them during the last three years. A tabular statement giving the number of cases and of persons involved and the nature of disposal in each of the departments in which such cases were dealt with is given in Appendix VII, and is followed up by a list of departments from which nil returns have been received (*vide* Appendix VII-A).

Conclusions drawn from the tabular statement: (*a*) Absence of cases in some departments;

79. It is seen from the tabular statement that 368 cases involving 491 persons were investigated and enquired into during the last three years, and that in 38 departments, big and small, no cases were reported or enquired into during that period. There are two main points to be noticed here. One is the reported absence of any cases in departments like Public Works, Forest and Income-tax, which have been the targets of special attack not

only in the Legislative bodies but in the replies to the Questionnaire. It would be a matter more for gratification than for regret if the absence of reported cases were to mean that there is no corruption in these and other departments similarly placed. But if, as is reputed, corruption does exist in these departments the inference is that it has not been detected either owing to lack of supervision or because there is no adequate machinery to check such malpractices. The other point is that, if the information derived from the replies to the Questionnaire and other sources is to be believed, the smallness of the total number of cases, namely 368, in a period of three years and of cases particularly in departments like Sericulture, Silk Control, Agriculture, Excise, Registration and Medical, which also have often been the subject of public criticism, would indicate a similar inference in respect of them also.

and (*b*) Smallness of the number on the whole and in certain departments.

80. It is significant that the majority of cases—almost all—have arisen out of complaints by private parties, either personally or through signed or anonymous petitions. The rest of the cases are stated to have been reported by the District and Taluk staff, such as the Amildar, the D. S. P., Police Inspector and others. Most of these cases also, it may be presumed, must have been taken up by the concerned officers on the basis of complaints made or petitions given to them. There seem to have been very few instances in which cases have been detected during any sudden or surprise visits or inspections by superior officers, or by watching the conduct of particular officials or by laying baits for them (as has been done in certain cases in British India). There have been a few instances in which aggrieved parties themselves have complained, but the majority of cases are those taken up in pursuance of petitions of a general nature, frequently by several persons acting together.

How cases have arisen generally.

81. One other prominent feature that emerges from these data is that the majority of the officials involved are subordinate officials and there have been only about a dozen cases of Gazetted Officers dealt with. The highest officer in the Revenue Department against whom a complaint was made is an Assistant Commissioner, and he is the only person of that status against whom a complaint seems to have been made; there have been seven or eight Amildars also among the Gazetted Officers. The rest of the officials dealt with in the Revenue (and also Food) Departments are

Classes of Officials involved.

of the rank of Special Sheristedars, Food Inspectors, Assistant Inspectors, Revenue Inspectors, Clerks, and Village Officers. Most of the cases dealt with in the Police Department are against Constables, less frequently against Daffedars and Sub-Inspectors, and in only one instance against a Police Inspector. In the Medical Department, a complaint is stated to have been made against an officer of a Surgeon's rank and suitable action is stated to have been taken against him; in the only two other cases dealt with in that department, the officials concerned were Sub-Assistant Surgeons. One peculiar feature in the Registration Department is that complaints have mostly been made collectively against the Sub-Registrar and his staff. In the Agricultural Department it is the Agricultural Inspectors and below, in the Railways the Station Masters and below, and in the Education Department Assistant Inspectors and below, who are involved in the alleged malpractices. It is thus seen that in over 90 per cent of the cases, it is the non-gazetted staff that is concerned, and a very large number of even these cases are those in which officials getting salaries below Rs. 40 or Rs. 50 per mensem are involved.

Nature of the cases—Departments affected

82. As regards the nature of the cases, one thing that attracts attention is the very large number connected with Food Supply and other control operations. In many instances, the exact nature of the cases has not been specified by the officers concerned; but a rough computation, on the basis of specific information given, shows that slightly over 50 per cent of the cases (and indeed a larger percentage, if the number of persons involved is to be taken into consideration) relate to Food and Civil Supplies, Sericulture and other control departments.

Nature of disposal Punishments awarded.

83. An idea regarding the nature of the disposal of the cases can be had from the tabular statement. Quite a large number of dismissals have been ordered, though it is only in two cases that they are understood to have actually been notified. Suspension too has been resorted to in a large number of cases, and prosecutions are seen to have been launched only in about seventeen cases. In a few cases, transfers of the Government servants concerned have been affected, though this is mostly in cases in which the allegations have not been proved.

84. Though no general delay in the disposal of these cases is apparent (the period taken varying generally

from a few days to 3 or 4 months) there are about a dozen in which more than a year has elapsed between the dates of cognizance and disposal and there are at least two cases in which the delay is as much as 20 months.

Surprise inspections to prevent and detect irregularities.

85. One aspect of the question of detection of cases of corruption, namely, surprise inspections and visits and the detection of cases of corruption and other irregularities by superior officers by that means, was dealt with by the Committee specially, and an independent enquiry was addressed to the Heads of Departments (such of them as were considered to be directly concerned) and Deputy Commissioners regarding the number of surprise inspections held or visits paid by them during the last three years, in pursuance of the Circulars issued to them by Government (referred to in one of the previous chapters). Replies have been received from the majority of those addressed, and in several of the cases where they are said to have been conducted, it is stated that no irregularities were discovered.

86. A statement giving the number of surprise inspections by those of the officers who have conducted them and who have replied is to be found in Appendix VIII. In the Civil Supplies Department, circulars are stated to have been issued to subordinates inviting attention to the Rules and to the need for frequent surprise visit and checks; and in the Food Supplies Department, complaints and allegations are said to have led to inspection and to booking of officials in some instances. No other special features of activity in this behalf are apparent from these statistics.

87. The figures so far furnished, on the other hand, generally convey the impression that the method of surprise inspections and visits—undoubtedly a potent instrument if properly used—has not been resorted to as effectively as it might have been, and this must account partly for the fact that there are very few cases in the statement of cases of corruption referred to above, in which sources other than complaints from the public are mentioned as having been responsible for detecting and dealing with cases.

(ii) The organisation of the principal control departments.

88. It will be seen from the statistics of cases of corruption dealt with during the last three years, how the

larger number relate to those administering controls of various kinds. This fact is in accord with the views expressed generally by those replying to the questionnaire. The two most important departments dealing with controls at present are the Food and Civil Supplies Departments, and a brief account of the organization of these departments with particular reference to the machinery employed for detecting and dealing with cases of corruption may be given here so as to enable a better understanding of the present position and of future needs, assuming that the departments will continue for some time more.

Food Supplies.

89. It is not necessary to give any detailed account of the constitution of the Food Supplies Department in Mysore or of the Department of Civil Supplies from the commencement of 1942, or to refer to the detailed orders that were issued under the Defence of India Rules to carry out the control policy which, according to general opinion, give scope for the practice of bribery and corruption. The Committee are chiefly concerned with the organisation and the personnel through which these control operations are being performed and it may therefore be sufficient to state that the Director of Food Supplies who was appointed as a matter of necessity in order to concentrate all operations under one chief executive officer with a suitable staff under him in 1942, was in due course given the assistance of several Officers at his Headquarters, and in the rationed areas, of Rationing Officers, Food Inspectors, Assistant Inspectors, Depot Managers and suitable clerical staff. In the districts, the Deputy Commissioners were given Food Assistants, and the Amildars were given Special Sheristedars and Revenue Inspectors and other subordinates to help in the procurement and distribution of grains. For the detection of cases of smuggling, hoarding, false declaration, illegal transport and infringement of the several food control orders, each Deputy Commissioner was given the assistance of an Assistant Superintendent of Police with the necessary Inspectorate and subordinate police staff. At the Headquarters of the Director there is at present a District Superintendent of Police besides two Inspectors, six Sub-Inspectors, two Daffedars and ten Police Constables forming an Intelligence and Inspection branch, to work directly under the Director of Food Supplies. It will be seen that though the Director has been given an executive staff to help him the primary responsibility in regard to corrupt practices

still remains with the District officers who in their turn have been given additional staff to cope with the increased work and responsibility.

Civil Supplies.

90. The Department of Civil Supplies was constituted as an independent organisation recently, *i.e.*, about the middle of 1944, to help the public to secure without difficulty and at control prices certain essential consumer goods, the supplies of which were limited. The Controller is being assisted by an Additional Controller with the status of a Deputy Commissioner, one Assistant Controller with the status of an Assistant Commissioner, and an executive staff of 9 Inspectors and 22 Assistant Inspectors, with pay between Rs. 100 and Rs. 150 and Rs. 50 per mensem, for the Inspectors and Assistant Inspectors respectively. The gazetted officers generally are responsible for the issue of quotas, permits and licences, and the Committee are given to understand that this department carries on its work by holding frequent conferences with the local merchants concerned. Complaints of corruption are enquired into by the Assistant Controller when levelled against the lower subordinates and by the higher officers when levelled against higher officials. There is, it would be observed from the above description, a difference in the management of the two control departments administering the orders under the Defence of India Rules, namely, the Food and the Civil Supplies: for, whereas in the one there is a Police staff for supervision and enquiry into cases of corruption, in the other, *viz.*, Civil Supplies, no special staff exists to deal with corruption cases as such.

(iii) Executive powers of subordinates.

91. The question of opportunities in the temporary departments leads us on to the opportunities for corrupt practices available in the permanent departments, in the shape of the executive powers of subordinate officials of those departments. There are certain executive powers conferred directly by the Statutes, certain others conferred by Rules made by Government under those Statutes, and still others made exercisable by delegation by some superior authority. The nature and extent of these powers are fairly familiar and need no elaboration. The salient features of the powers available to subordinate officials in some of the more important departments like the Revenue, Excise, Forest, Police Departments may,

(i) Revenue. however, be briefly mentioned. In the Revenue Department (which incidentally is the department which deals also with many food control operations in districts) subordinate officials such as Special Sheristedars, Revenue and Food Inspectors and Assistant Inspectors have wide powers, not only under the Defence of India Rules and orders thereunder, but under the regular departmental rules. Revenue Inspectors, who are responsible primarily for the prompt collection of Land Revenue, Loan, Village Panchayet and various kinds of other amounts due to Government, have power to serve notices and effect distraints under warrants issued by Amildars. They report on any unauthorised occupation or cultivation of Government lands, the state of crops in their jurisdiction, the condition of tanks, etc., and send reports and make recommendations *re* availability of land applied for in darkhast. Also, where there are no separate Village Panchayet Inspectors, they prepare estimates and bills for petty Village Panchayet works to be executed at the expense of Village Panchayet Funds. Recently owing to the existence of Food Control operations, even Village Officers have wide opportunities in preparing village pahani accounts, and supervising officials in checking those accounts, either for distributing patronage or for doing harm.

Excise. 92. In the Excise Department, any Excise Inspector or Assistant Inspector has powers of search in respect of any place in which contraband property is suspected to have been kept. The Inspectors have also powers to arrest accused persons, to grant bail and to summon witnesses in the course of the investigation of cases and to enforce their attendance in Court. Superior excise officials have powers of entry and inspection of shops and premises at which intoxicating liquors or drugs are sold, or checking transport, export, import, etc., of such articles, and of reporting crimes. It is a matter of common knowledge that Rules under the Excise and Opium Acts and the new Excise Duties Acts such as those for coffee, tea, betelnut, tobacco, etc., are very stringent in character and the slightest departure from them will constitute an offence and thus provide opportunities for misuse by unscrupulous officials.

(iii) Forest. 93. In the Forest Department too, the powers vested both under the Act, and under the rules in officials of and below the rank of Range Forest Officers are considerable,

such as, requisitioning the services of private individuals in case of forest accidents, reporting cases of trespass into Government Forests, issue of licences and permits for transport of forest produce and the checking of such transport, compounding of offences and arresting and prosecution of accused persons, etc.

(iv) Police.

94. It is perhaps in the Police Department that the most extensive powers are exercisable by subordinate officials. Here even the lowest, namely, the Constables have powers for good as well as for evil. Their powers under the Statute such as the Criminal Procedure Code and the Police Act are too well-known to need recapitulation. These powers arise in connection with the arrest and custody of supposed offenders, the grant of bail, the investigation of crimes and private complaints, the regulation of traffic, the keeping of the peace and preventing its breach, the inspection and search of premises and persons for various purposes, the disposal of property and various other occasions too numerous to be detailed here. In no department, perhaps, are the opportunities for misuse of powers vested in the subordinates greater. The Indian Police Commission said in their report (1902-03):—

"Everywhere they went, the Commission heard the most bitter complaints of corruption of the Police. These complaints were made not by non-officials only, but also by officials of all classes including Magistrates and Police Officers, both European and Native. It was generally admitted that Constables possessed very much the characteristics of the classes from which they are recruited, and that corruption was no more an essential characteristic of the Constabe than of the Revenue peon, the process-server, or the Forest Chaprassi. But the corruption of the Constable is more intolerable because of the greater opportunities of oppression and extortion which his police powers afforded, because of the intimate connection he has with the general life of town and country, and because of the possibilities of his being brought at any time into special relation with the individual. The police system seems to the Commission to have aggravated the evil both by underpaying the Constable and by assigning to him duties which he is not qualified to perform. The strongest complaints are made in the country regarding the beat system and regarding the permission too frequently given to Constables to investigate cases, and in the towns regarding the powers of Constables in reference to nuisance cases. It is not difficult to see how the performance of duties such as these by inadequately paid agency must lead to corruption and extortion."

95. All this was said nearly half a century ago and it cannot be said that opportunities and scope for bribery and corruption have decreased under the present system of law and administration, especially in these days of controls when frontiers have to be guarded by ordinary police constables.

96. In these days of controlled transport too, opportunities for graft in the lower ranks of Railway and Silk Control Departments, in the matter of wagon allotments and issue of permits, etc., have increased to an extent urgently calling for comment and notice. There is complaint in the evidence that the infection has extended even to the higher ranks of service.

97. The above review is made to prepare the ground for the recommendations the Committee propose to make not from the academical but only from a practical point of view, believing as they do, that there are in this matter no two opinions on the subject among the representatives of the people and even among a large number of supervising officers of Government who have to deal with the executive functions of their respective departments.

(iv) Pay and Prospects and other Amenities.

Scales of pay of the lower subordinates and recent changes therein.

98. With the object of ascertaining how far the present abnormal situation has been adequately dealt with in regard to the question of giving a living wage to the subordinates of Government in the various departments in recent years, the Committee sent out an enquiry to all Heads of Departments regarding the revision and reorganisation in the scales of pay and allowances of all officials drawing below Rs. 250 per mensem during the last five years. A study of the statistics received in this connection shows that, with a few exceptions, no comprehensive or large-scale alterations in the minimum scales of salary have been effected during that period. Such changes as have taken place naturally have no bearing on the present conditions, as the situation arising out of these have been dealt with in another way. The minimum scales in some of the more important cases may be mentioned here.

99. The scales of pay of the menials in the several departments at present vary from Rs. 9 to Rs. 15 for the lowest class, and up to a maximum of Rs. 18 in the next

higher class. Within the last two years, the scale has been made into a progressive one, *viz.*, Rs. 11-1/2-15, in Bangalore City only. The minimum scales of salary for clerks are of varying kinds: generally Rs. 25-1-30-1-40 and less often, grades such as Rs. 20-1-25 (Registration, Revenue), Rs. 20-1-30, Rs. 30-2-40 (Income-tax and Jail Departments), Rs. 25-5/2-50 (Accounts Department) and Rs. 30-3-60 (Geological Department and High Court), obtain. There are also fixed scales: Rs. 20 (Stationery Department), Rs. 25 (Medical), Rs. 30 (Civil Supplies) and Rs. 35 and Rs. 40 (Food Supplies). In the Forest Department, the scales of pay of officials of certain sections have been altered in the course of the last two years, from those like Rs. 25-2-45, Rs. 50-5/2-50, Rs. 30-2-50 and Rs. 22-3/3-40 to those of the type Rs. 30-3-60, Rs. 35-5/2-70, Rs. 50-3-65 and Rs. 30-2-50, respectively. In the Excise Department, the scales of clerks have been varied within the last four or five years from Rs. 60-4-80, Rs. 55, Rs. 45, Rs. 30-3-45, etc., to Rs. 50-5-80, Rs. 40-2-50, Rs. 30-2-40 and Rs. 25-1-30 for purposes of securing uniformity.

100. To take the instance of the lower subordinates of the more important departments exercising executive powers of any kind for good or evil, it may be said generally that no changes of any substantial character in the basic scales of their pay appear to have taken place in recent years. In the Revenue Department, the Revenue Inspectors have fixed scales of pay like Rs. 50, Rs. 40 and Rs. 35 with a Horse Allowance of Rs. 10 per mensem, though in the Food Department, the Special Revenue Inspectors invariably get the highest of these scales with an allowance of Rs. 15. The scales of pay of Rangers in the Forest Department vary from Rs. 50-3-65 to Rs. 125, those of Foresters from Rs. 20-3/2-35 to Rs. 35-2-45, and those of Forest Guards from Rs. 11 to Rs. 18. There are fixed scales in the Excise Department for both the Inspectors and Assistant Inspectors and even the Tree-markers: the Inspectors' scales are Rs. 60, Rs. 70, Rs. 80, Rs. 100, Rs. 125 and Rs. 150; those of Assistant Inspectors Rs. 30, Rs. 35 and Rs. 40; and those of Tree-markers, Rs. 12 and Rs. 13. The Inspectors and Assistant Inspectors get F. T. Allowance of Rs. 20 and Rs. 8 respectively. The process establishment of the Civil Courts consists of Nazirs, Amins and Process-servers whose scales of pay generally are Rs. 30-2-40, Rs. 20-1-26 and

Rs. 11-1/2-18 respectively. The lowest executive subordinates in the Public Works Department, *viz.*, the Sub-overseers, get Rs. 35-5/2-80 *plus* Rs. 15 C. A., and the Surveyors above them are in grade Rs. 60-5-125-10-175. The case of Guards in the Railway Department calls for special attention both as regards pay and allowances and provision of housing accommodation.

101. It will be seen from the above that even such changes as have taken place have been more with a view to administrative convenience or in some cases, with a view to increase in work and responsibility, than for any other reason. It is only in the Police Department that a consistent and progressive increase has taken place during the last 20 or 25 years; the pay of the constable having risen from Rs. 8 to Rs. 15, that of the Daffedar from a maximum of Rs. 18 to a minimum of Rs. 20, that of Sub-Inspectors from a maximum of Rs. 50 to scales ranging from Rs. 50 to Rs. 80, and that of Inspectors from a minimum of Rs. 60 to a minimum of Rs. 100 per mensem.

Compensation or increased cost of living: Dearness allowance.

102. Turning to the way in which the present situation created by war conditions and the abnormal increases in the cost of living has been dealt with in the State, as over the rest of India, a system of dearness allowances to subordinate officials obtains even here. Dearness allowance was for the first time sanctioned in the State in October 1941 to all whole-time employees of Government getting Rs. 25 and below per mensem at the rate of Re. 1 per mensem. This was increased to Rs. 1-8-0 in January 1942 and up to Rs. 7 and up to officials getting Rs. 80 per mensem in August 1942. The existing scales of dearness allowances are given in the appended table (*vide* Appendix IX). For the purpose of facilitating comparison, the rates provided for by the Government of India are also given. It is seen that even in places like Bangalore, they are often higher than the Mysore rates. This is one of the factors to be kept in view in considering the adequacy or otherwise of the present Mysore rates.

Cost of living index figures.

103. Another way of examining the sufficiency of the compensation so given would be by a reference to the cost of living statistics. Two types of statistics are collected in Mysore State; one, the working class cost of living index, published for Bangalore City and Kolar Gold Fields since March 1942 and March 1943 respectively, which takes into account only the needs of an industrial

worker regarding food, fuel and lighting, rent, clothing and miscellaneous articles, and with the year 1935-36 as the basic period; and the other a wholesale price index for Bangalore City only, compiled since 1914 on the basis of the prices in that year, and taking into account only the prices of the major food grains, pulses, oils, and oil-seeds, other food articles, textiles and other miscellaneous articles. It will easily be seen that neither can closely represent or stand for the cost of living of middle class employees, such as Government Servants mostly are. In Madras Province, statistics are collected for the cost of living of low-paid employees in certain specific mofussil centres, in addition to the working class cost of living index figures, taking the year 1935-36 as the basic period, but such statistics are not available here. A table giving all the available index figures here and in Madras Province and Bombay for every quarter since 1939 is appended. (*Vide* Appendix X). The statistics pertaining to Mysore will give a clear picture of the upward trend in the cost of living in general and to a limited-extent, the increase in the cost of living of low-paid employees of Government. Considering the enormously increased cost of such requirements as transport, medicine, house-rent, etc., it may not be incorrect to say that the cost of living index number of officials in the subordinate ranks of Government services, if it had been compiled, would not at any time have been less than the highest of the figures in Mysore for the respective periods. It may readily be admitted that the cost of living in Bangalore City is somewhat ahead of that in most other places; but then it must also be remembered that a very large proportion—larger than may be guessed at first of the low-paid employees work in Bangalore City. For instance, the numbers of officials getting below Rs. 50 per mensem in Bangalore City and outside were recently estimated to be respectively 11,391 and 51,246; and those of officials drawing between Rs. 50 and Rs. 80 per mensem to be 1,740 and 2,815 respectively. This shows that nearly 25 per cent of the employees getting Rs. 80 and below per month live at Bangalore; and similarly a large proportion of even the remainder may be expected to be doing duty at the more costly places such as Mysore, Kolar Gold Fields, Bhadravati, Davangere, etc. This means that for a substantial proportion of Government employees, the cost of living has gone up since 1939 by not less than 100 per cent. The present

expenditure on dearness and war allowances for officials of all departments (except Education and one or two other minor departments) is estimated to be Rs. 73,50,000, that is, about 30 per cent of the total expenditure on salaries, establishment and allowances (roughly about Rs. 2,45,00,000 excluding the expenditure on the salaries of officers getting above Rs. 800 per mensem who do not get war allowance).

Present needs.

104. We should not have devoted so much space and attention to this aspect of the question had it not been for the realisation that the present situation is not one that is likely to pass off soon; on the other hand, there is every reason to believe that these conditions will continue for a long time to come, even if they have not come to stay for good. It is not necessarily premature or ill-timed, therefore, to conceive of a suitable long-range scheme for alleviating the hardships of low-paid subordinates in this behalf and, above all, to reduce the incentive to corrupt practices. While financial considerations must ultimately put a limit to any such reforms, the bare needs of such employees have always to be kept in view; and a liberal and broad outlook is called for and will ultimately pay in such matters. Such long-range schemes may either take the form of a continuation of the present system of compensation by way of dearness allowance, or of a suitable revision generally in the minimum scales of pay. Which of these courses is feasible is a matter that may be gone into by a Special Commission if necessary.

Other amenities.

105. The question of aiming at a suitable remuneration to Government employees calculated to remove temptations and to secure efficient and conscientious service is only one—though the more important—side of the problem. The bargaining power of the public employee is poor compared with that of an employee in a private concern. Nevertheless, his needs such as housing, education, medical facilities and loans in case of necessity, generally receive markedly less attention than those of an employee, say, in a mill, or a mine, or a factory. While the pay policy is determined by considerations such as preventing officials, as far as possible, from stooping to corrupt practices, the provision of suitable amenities of life to them such as those mentioned above must be dictated partly by considerations of humanity and partly of expediency. It is a matter of common knowledge how officials have to depend mostly on local

public help (which may conceivably be forthcoming only in return for sundry official favours) for most of these requirements, and this is admittedly an undesirable feature. Medical and educational facilities there are, no doubt, in a fair measure, but not perhaps to the extent needed. The provision of higher education for their children in cities and towns by parents who are on duty in remote mofussil parts is, for instance, very often a matter of great difficulty.

106. What measures of welfare can and need to be organised here in our State in respect of Government servants, keeping in view the local conditions and standards will thus be another important consideration in any scheme which seeks to reduce to the minimum the incentive to dishonest practices.

107. So far, the Committee have restricted their attention to considerations of mitigating the evil in the lower ranks of the public services. In the face of the persistent complaint of the prevalence of malpractices among at least some of the Government servants in the higher ranks, for which there is not even economic justification, the Committee feel it their duty to call the earnest attention of Government to the necessity for the eradication of this evil by drastic action and the removal of the slur on the fair name of the administration. The Committee have given earnest attention to this problem and the recommendation for the setting up of a special agency for rooting out corruption seems, in their opinion, an adequate provision for achieving this object.

(v) Efficiency and Efficiency Audit.

108. It will be recalled that in one of the questions in the Questionnaire issued by the Committee, the institution of an Efficiency Audit Scheme in a suitable form was specifically suggested, not overlooking the fact that a scheme of the kind was once before introduced and worked in Mysore. The Committee have studied all connected records on the subject and would make the following observations, leaving the matter of its revival or re-establishment in a more elaborate form to be dealt with later.

Efficiency.

109. The question of efficiency is one which has a real and close bearing on the problem of eradicating corruption. The highest standards of efficiency require, and

can secure to a very great extent, an honest and incorruptible personnel. Efficiency in the larger and wider sense greatly conduces to a pure administration. Apart from the fact that the tax-payer has a right to expect that the administration will be efficient and honest, there is inherent need in any modern government, whatever its form, for an efficient and honest body of public servants for executing its will.

110. While efficiency must have broad and liberal standards, one must not make a fetish of it. Simply stated, it stands for the performance of Government business with the greatest possible despatch and with the utmost economy, and in the best manner and for the greatest good possible for those really concerned.

Reference to the previous Efficiency Audit System.

111. With these ideals in view a system of Efficiency Audit was introduced in the State by Sir M. Visvesvaraya. There appears to be a certain lack of knowledge, if not misconception, about the scope of "Efficiency Audit" as it functioned in the State for nearly a score of years—with certain material alterations in objectives and methods—and it will therefore be well to set down in brief an account of how it was started and worked.

The former cheme outlined.

112. In explaining the objects of the Scheme at the Assembly Dasara Session in 1913, Sir M. Visvesvaraya said :

"Measures are under contemplation to arrange for a system of 'efficiency audit' with a view to provide for more frequent and systematic inspections, to improve the Office Manuals and Standing Orders, and to ensure that the rules and orders in force are properly worked, or if not workable, promptly modified; that beneficent activities of every kind receive stimulus, *that serious irregularities receive prompt attention;* that, in short, waste of power and slackness of execution in the different departments of Government are controlled and minimised.

"Efficiency must be maintained if the Government is to get value for the money which it is spending on its establishments. In a country like ours where the system of Government departments is maintained on the European model and the staff employed to work them have not fully adopted European business habits, an 'Efficiency Audit' is as much a necessity as a 'Financial Audit'."

113. An Efficiency Audit Branch of the Secretariat was accordingly constituted early in 1914, working directly under orders of Government and placed in charge of an

Under-Secretary. The cardinal aims of its work were set out as below :—

(i) a greater degree of co-ordination and uniformity of work and procedure than existed at the time, in order to ensure that the individual activities and operations of the several departments were in consonance with the general aims and objects of Government, that the expenditure on them had a reasonable proportion to the result achieved or expected, and that the departments themselves were maintained according to the latest standards of progressive administration ;

(ii) the provision of assistance to Heads of Departments in enunciating principles, revising Rules and Standing Orders, and rendering the work of the departments more systematic and efficient.

114. The work of the branch was organised under the following heads :—

(1) Manuals and Standing Orders—their compilation, and the compliance with them to be ensured ;

(2) Periodical examination of departments—Members of Government to be assisted in periodical inspections and examination of individual offices with a view to ensure economy of expenditure and prevent slackness of execution ;

(3) Bureau of Information and Emergency Work—the staff to serve as a special reserve for investigation of irregularities in any department or of grievances in any part of the State;

(4) To assist accounts audit by means of an administrative audit.

115. In pursuance of the aims set out, the Branch devoted its attention to the work of preparation of Manuals, drawing up Rules for inspections and forms of Inspection notes and generally for the conduct of Government servants, laying down procedure for investigation and enquiry in cases of serious irregularities, and introducing and examining the working of fresh and modern office methods and procedure in several offices. Several cases of irregularities—especially those in which allegations of corruption were made—were investigated and dealt with. The Efficiency Audit branch thus did a considerable amount of useful work until 1921, when the activities of the Branch were considerably restricted owing to the need for retrenchment of expenditure ; and the scheme was practically abolished in 1922, leaving only a small staff for attending to the work of compilation of Manuals.

Office of the Inspector of Office Systems

116. In 1924, the Government realising the necessity of improving the Office Manuals and Procedure, sanctioned the appointment of an officer designated as Inspector of

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Office Systems with the status of a Deputy Commissioner. His two-fold duties were:

(i) to inspect the several offices in the State with a view to examine the working of office methods and procedure in force in those offices and to suggest methods of improvement calculated to make official procedure simpler, prompter and more efficient; and

(ii) to conduct Revenue audit in respect of the Revenue-yielding departments with a view to direct and to prevent leakages of revenue therein.

117. The case for, and the object of, constituting the new office was thus put succinctly by the then Dewan-President (the Chairman of this Committee) in his reply to a cut motion on the subject at the Legislative Council Session of December 1924:—

"I for one consider that routine administration is most essential so far as the well-being of the people at large is concerned. The routine administration of a country not only helps to promote the well-being of the people in respect of their daily lives, but also helps in maintaining up to a proper level the sinews of war, as it were, without which no Government could be carried on. . . . . The officer who is proposed to be appointed should work directly under the Dewan and his colleagues, to be their searchlight, as it were; to pierce into the dark corners of the administration from which they may find money which would otherwise be lost; and gain knowledge of facts which will enable them to stiffen up the administration and improve its business methods and procedure to suit the present conditions and needs."

118. This two-fold task was carried on with appreciable success until 1931; when on the recommendation of the Retrenchment Committee, the Scheme was discontinued.

119. There are no two opinions about the need at present for introducing some form of Efficiency Audit. The Representative Assembly passed the following resolution at its last Session urging its revival:—

"This Assembly recommends to the Government of His Highness the Maharaja that immediate steps be taken to institute a system of 'Efficiency Audit' with a view to investigate the modes of work in the several departments of the State."

120. In replying to the debate on behalf of the Government, the Chief Secretary agreed that the objective of Government also was to improve efficiency in the working of the departments and added that Government would consider the suggestion made in the resolution. The

Dewan-President also observed in his concluding speech that Government would give urgent consideration to the resolution passed by the Assembly.

121. The above gives a brief history of the subject of Efficiency Audit System and it will be the duty of the Committee, in an appropriate section of their Report, to consider whether it legitimately comes as one of the anti-corruption measures and may with advantage be revived with suitable changes.

(vi) Stores Purchase and Higher or Administrative Audit.

122. There is yet one other field of investigation which the Committee has explored to some extent and which remains to be mentioned; and a reference to it will bring to a close this somewhat detailed account of the Committee's investigations.

123. Some of the large spending departments in the State like the Public Works, Electrical, Railways, Military, etc., and some others such as Water Supply, Stationery and a few others, require and consume annually stores of various kinds worth several lakhs of rupees. In order to co-ordinate the purchase of such stores above certain limits under the supervision of a single agency, the Stores Purchase Committee was constituted in the year 1923, somewhat on the lines of the Indian Stores Department, with the object of securing economy and check against extravagance and waste in the purchase of stores, by means of expert knowledge, contact with firms and dealers, and by wide publicity and competition in the supplies market. Ever since then, the Stores Purchase Office has been operating in aid of the large spending and purchasing departments. The activities have progressively increased from the time when it was constituted. A statement of the purchases effected during the five years from 1939-40 to 1943-44 (inclusive) is given below:—

Year	*Value of goods purchased outside India*	*Value of goods purchased in India*	*Total*
	Rs.	Rs.	Rs.
1939-40 ...	24,31,409	38,97,539	63,28,948
1940-41 ...	17,42,160	30,68,000	48,10,160
1941-42 ...	1,02,77,775	48,68,550	1,51,46,325
1942-43 ...	1,09,47,105	59,56,000	1,69,03,105
1943-44 ...	19,28,479	60,48,109	79,76,587

124. It will be seen that with a single variation, the purchases in India have been steadily increasing, and that

in spite of the war having been on, there have been purchases outside India to a considerable extent—in two of the years to the extent of nearly twice the value of purchases in India. It may be expected that the tempo of purchases will in the very near future increase by leaps and bounds in view of the several Post-war Development Schemes on hand or under contemplation.

125. It becomes, therefore, extremely important to examine whether in view of the large purchases that are surely going to be made under Post-war Reconstruction Schemes, every safeguard has been provided in the existing system of purchases, inspection and payment, against waste, extravagance, fraud and corruption. It need hardly be said that this is a field which is so vast and fruitful that it can easily offer temptations even to those who might be expected under normal circumstances to be virtuous and honest. So far as the purchases are concerned, it may be presumed that the present machinery—of course with suitable reinforcement in view of the increasing volume of work—will continue. In the field of inspection, there is perhaps not so much need for care and vigilance in regard to purchases in India as in respect of those outside. In both cases, however, any system calculated to be effective should be such as will carefully appraise the material with reference to specifications, quality, durability, and all other like considerations, and reject peremptorily any defective materials or goods.

126. It is in regard to the audit and payment of bills pertaining to the purchase of stores that the greatest care and vigilance are perhaps necessary. At present no doubt the Audit machinery of the State both under the Comptroller and under the Auditors of the concerned departments exercises check and scrutiny over these payments in accordance with the recognised rules and principles of audit. In this matter, however, it is not merely a routine 'financial' audit that will suffice to serve the interest of the State. Audit in respect of 'propriety' has to receive its greatest emphasis in such transactions in order to guard against possible fraud, misappropriation and corruption.

127. The importance and purpose of 'Higher' or 'Administrative' audit arise in this context. The Auditor, besides exercising the usual checks will have to see that the general principles of legitimate finance are borne in mind and it is his duty in audit not only to offer any

necessary criticism of their acts, but also to assist them in protecting the interest of the tax-payers, in developing revenue, and in effecting economies in expenditure whereever possible. All this is secured not by a mere application of rules and regulations, but by intelligent and detailed scrutiny directed to the avoidance of wasteful and extravagant expenditure. As was stated in the First Despatch on the Reforms :—

"In place of the formal examination of authorities and of rules, the work should be conducted with greater regard to the broad principles of legitimate finance. The audit will not only see whether there is quoted authority for expenditure, but will also investigate the necessity for it. It will ask whether individual items were in furtherance of the scheme for which the budget provided; whether the same results could have been obtained otherwise with greater economy; whether the rate and scale of expenditure were justified in the circumstances; in fact, they will ask every question that might be expected from an intelligent tax-payer bent on getting the best value for his money. The Audit Officers will also devote more of their time to looking into the manner in which various Executive Officers are undertaking their more important financial responsibilities."

128. Though this was said quite a long time ago, the spirit behind audit in general remains very much the same.

129. In the United Kingdom too, though all that is prescribed by Statute is what is called 'Appropriation Audit', "the Auditor-General is wont to push his inquiries further than the letter of the Statute warrants, and to inquire also into any payment which on the face of the documents submitted to him appears to be imprudent and wasteful." This is called Administrative Audit; its value is very great, though the scope is limited on account of the fact that only such loss and wastage as can be discovered in, or are patent on the face of the documents, can be pointed out, and as Audit cannot go behind or beyond the documents presented to it for inspection.

130. It will thus be essential to see what special precautions are necessary over and above the procedure laid down in the Manual of Stores Purchase in the field of purchase, inspection and audit of Stores and payments therefor, in view of the foregoing considerations and with a view to the checking of malpractices.

CHAPTER IV.

Main Issues and General Conclusions.

131. We have now reached a stage suitable for framing the main issues and recording findings thereon.

132. As was stated earlier, the task of the Committee is to examine the existing rules and measures for putting down corruption, to find out to what extent they have been enforced and have been effective, and to suggest such changes or additions as may be considered necessary for meeting the needs of the present situation as well as those of the future. The first two items of this three-fold task have just been completed. We have seen how corruption is an evil which has been in existence practically all along in almost all administrations to a greater or smaller degree, and how it appears to have received an accession of strength in recent years and thus loomed large in the public eye for some time past. Representative public opinion, as well as of a section of officials which has opportunities of coming into contact with the public at present, has been elicited on the various aspects of the question. We have also seen how there have been a variety of measures adopted in the State, and how they compare with those in force elsewhere in India. The statistics of cases of corruption dealt with by the several Heads of Departments during the last three years have been reviewed, and it has been seen how existing rules and measures have not been adequate nor strictly enforced in their entirety. The bearing which controls and control orders have on the problem, the nature of the opportunities and temptations provided by them and by the existence of certain executive powers of the subordinate officials of various departments for the spread of the evil, the possibilities of further opportunities arising in connection with the impending large purchases of plant, machinery, etc., under Post-war Reconstruction Schemes, unless adequate scrutiny is exercised, the role of efficiency and Efficiency Audit in putting down corruption, and the need for certain minimum standards of salary and allowances and for certain elementary amenities to subordinate officials in order that they may be free from temptations as far as possible, have all been examined at length.

133. Here then are the various factors which may be considered to have a close connection with the question. Certain primary conclusions have already emerged from an elucidation of these, and there are certain secondary and more important conclusions which arise and may be stated here.

134. It was said earlier that the Committee's jurisdiction did not extend to finding out what the extent of prevalence of corruption at present is, and in what departments or classes it exists, but that the existence of corruption is a fact which is admitted. The first main question is how far the existing measures have been able to cope with the evil and whatever may be the answer, what further remedial measures are necessary under the present circumstances.

135. The finding on the first issue has already been recorded. As to the second, further measures are undoubtedly necessary at least in respect of the temporary departments; and in the case of the permanent departments also, further measures are needed to the extent that the position in those departments has, apart from general routine, been affected by the temporary departments and by the situation which necessitated the creation of such departments. It is correct to say as the general opinion of all those who answered our Questionnaire on this point that war conditions are mainly, if not entirely, responsible, involving so many control operations, permits and licences, and the general enforcement of the food policy of the State.

136. To justify the conclusion that further measures to deal with corruption are now necessary, it is generally urged that the times have changed but the administrative machinery and organisation have not *pari passu* altered to suit changed conditions; and besides, owing to increase in the volume of work and other causes, the rules and provisions have not been widely and strictly enforced. The Committee agree with these views.

137. Now we come to the main issue, *viz.*, what are the further steps or measures that, in the opinion of the Committee, may be adopted. In dealing, however, with the various departments, identical measures cannot obviously be made applicable to all. Different departments would require different treatment with special reference to existing rules and regulations, since the

malady in each may have its distinctive and specia. features. The recommendations may generally be classified as Statutory and Administrative. The temporary departments when abolished will need no continued policy to deal with such kind of corruption as has sprung up in the course of their existence. The remedies should in general be comprehensive, keeping in view the progressive nature of the administration, its enlarged scope in all directions, and the necessity to equip Government with suitable powers to defeat the enemies of good Government, of which corruption is the most powerful.

CHAPTER V.

Recommendations

138. **Statutory Measures.**—Under statutory measures we suggest the following:—

(i) offences under Sections 161, 164 and 165, Indian Penal Code, should be made cognizable. As a matter of precaution the police officer taking cognizance of there offences should inform confidentially the Head of the Department in which the suspected official is working, if he is an officer of a non-gazetted rank, and the Government in other cases, of the fact of having started the investigation within 24 hours of doing so; and in addition, submit his report to the Magistrate having local jurisdiction, under Section 158 (1) of the Criminal Procedure Code, through the Anti-corruption Deputy of the Special Officer referred to in para 139 *infra*, who will be authorised by Government in this behalf by a special order.

(ii) the Law should be so amended as to provide that when money or other gratification has passed between a public servant and a member of the public with whom he has any official relation, the onus of proof that the gift or offer was innocent is on the accused under Sections 161, 164 and 165, Indian Penal Code, and not on the prosecution;

(iii) the penal provisions of Sections 161, 164 and 165 should be so amended as to impose additional fines at least equivalent to the amount obtained by means of the offences;

(iv) the fact that any person charged under Sections 161, 164 and 165, Indian Penal Code, is in possession, for which he cannot satisfactorily account, of property or pecuniary resources disproportionate to his known sources of income, may be proved and taken into consideration as a relevant fact in deciding whether he is or is not guilty of the offences charged; and

(v) the above special provisions should be made applicable to the trial of all cases under Sections 161, 164 and 165, Indian Penal Code, which may have occurred since 1st January 1939 and investigated or brought to light after that date.

As the ordinary process of legislation is likely to take a long time and it is expedient that the proposed changes should be enforced with the least possible delay, we recommend that the above amendments of the

Law be brought into effect speedily by means of an Emergency Act under Section 31 of the Government of Mysore Act.

A. Main recommendation:—Appointment of a Special Officer.

139. **Administrative Measures.**—The most important recommendation in this category that we would make is, the creation of an office of a Special Officer for Efficiency Audit and Anti-corruption measures, for a period of five years in the first instance. His status will be above that of a Head of a Department and below that of a Minister, and his pay may be Rs. 1,500 to Rs. 1,800 per mensem with suitable car allowance or Government transport. He will be answerable in his work directly to the Dewan and work directly under his orders. The appointments in this department should not be made with reference to mere seniority but mainly with reference to special merit and integrity and capacity for the kind of work that is to be undertaken.

(i) His position.

(ii) His office.

140. As the name indicates, the Special Officer will have two branches of work: one, an Efficiency Audit Branch and the other an Anti-corruption Branch. These two will each be under the immediate charge of an officer with pay and status not below those of a Deputy Commissioner. The officer at the head of the Efficiency Audit Branch should have intimate knowledge and experience of office systems and be fully conversant with Office Manuals, Standing Orders, etc., and should also have opportunities to study administrative systems and conditions elsewhere. The other Deputy should have special detective abilities and necessary equipment for purposes of detection and investigation of cases of corruption, and may be invested with all the powers of a Deputy Commissioner under the Mysore Police Act. Both officers will have adequate staff working under them for the kind of work in view.

(iii) His general powers.

141. The Special Officer at the head of these two Branches will exercise the powers of a full-fledged Head of a Department and an Inspector-General of Police respectively with reference to them, and will guide and co-ordinate their work. He will be entitled to the full co-operation of all the other Heads of Departments in his work.

(iv) His duties *re* Efficiency Audit.

142. The duties of the Special Officer on the Efficiency Audit side will be as follows:—

(i) to study the system and methods of work in the several departments in the State with reference to

the departmental Manuals, Standing Orders, etc., and to bring the latter up-to-date so as to be in accordance with the latest standards of administration;

(ii) to conduct frequent and surprise inspections of the various departmental officers including those of Heads of Departments, for ensuring compliance with Rules and Standing Orders, and securing prompt disposal of papers, and to bring to notice lapses for suitable action;

(iii) to review and revise, if necessary, the rules regarding regular periodical and surprise inspections so as to make them more stringent and conform to present-day complicated routine of Government;

(iv) to examine the nature and extent of the executive powers exercised at present by subordinate officials and officers of the several departments such as Excise, Forest, Public Works, Railways, Income-tax, Revenue, Food and Civil Supplies, etc., and to suggest ways and means of preventing the misuse of such powers, keeping in view the need for adequate decentralization of powers; and

(v) to conduct test audits of Revenue on the lines of the Revenue Audit System formerly in vogue, with a view to detect and to remedy leakages of revenue in all revenue-yielding departments.

(v) His work on the Anti-corruption side.

143. The duties of the Anti-corruption Branch will be as follows:—

(i) to detect and investigate specific cases of corruption in all departments of the State and take further action;

(ii) to keep close watch generally over Government servants, including those lent to Joint-stock companies or persons appointed to such companies, and, in particular, over those with an unsavoury reputation.

(a) Jurisdictions *re*: investigation of cases.

For the investigation of cases, the jurisdiction of this Special Agency and of the Heads of the Departments will be concurrent. The latter will, as heretofore, deal with cases of corruption coming to their notice according to rules; the Anti-corruption department, while having the inherent power to take up any case of any department at any stage, including cases of Government servants lent to Joint-stock companies or persons appointed by Government to such companies in the State, will in practice investigate only cases which the Special Officer considers should be investigated by his staff exclusively.

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(b) Powers in the course of investigation and generally.

144. In carrying out the above duties the Anti-corruption office is recommended to have the following powers :—

(i) power to call for returns from officers of assets such as bank accounts, shares, investments, insurance policies, etc., especially of years 1939 to 1946, held by them or their dependants or near relatives and, where there is suspicion of chronic indebtedness, to call for statements of debts and liabilities ; and

(ii) to search for and seize property suspected to have been acquired by corrupt means.

145. In order to keep this office informed of all cases of corruption being dealt with at anytime and to enable it to watch their disposal, the Heads of Departments or other officers concerned should send intimation to that office as soon as a case is taken up for investigation and also send quarterly returns of cases dealt with to enable the said office to submit to Government a review regarding their disposal.

and (c) procedure after investigation.

146. The procedure to be adopted by the Anti-corruption office after the stage of investigation is over will be as below :—

(a) In cases in which the Head of the Department concerned is competent to pass final orders, the records will be forwarded to him for disposal except where, for special reasons to be recorded in writing and with the approval of the Dewan, the Special Officer conducts the enquiry himself, in which case the records will be submitted to Government for orders with his findings. In cases referred to him, the Head of the Department concerned will, after disposing of the case within a prescribed time-limit, send a copy of the order passed to the Special Officer, who, if he considers the decision wrong or perverse or inadequate, will submit the case to Government for orders with his remarks ; or

(b) in cases where the Head of the Department concerned is not competent to pass final orders, the enquiry will be conducted, according to rules, by the Special Officer himself and the records submitted to Government direct for orders with his findings and recommendations.

B. Other Administrative measures :

147. The other measures of an administrative character which we would recommend are these :

(i) Compulsory half-yearly property returns.

Firstly, Government should compel Public Servants (other than menials) to furnish all relevant information with regard to their property such as bank accounts,

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shares and other investments, insurance policies, immovable property held or acquired by them or transferred by them to their dependants or others, on pain of dismissal if suppressed or when incorrect particulars are furnished. These returns should be half-yearly in prescribed forms. It would not be too drastic a measure to make false returns liable for prosecution like Income-tax returns or to make them relate to the years subsequent to 1st January 1939.

(ii) Recasting Enquiry Rules.

Secondly, the rules regarding departmental enquiries in regard to cases of bribery and corruption should be recast so as to make enquiries speedy. The gradation of officers to make enquiries should be clearly specified.

(iii) Investigation into adequacy of pay and allowances.

Thirdly, the pay and emoluments of the subordinate ranks in the public services require re-examination with a view to giving them at least a living wage. We suggest the desirability of making a general investigation into the adequacy or otherwise of scales of pay and allowances of subordinate staff and would specially point out the need for—

(*a*) providing suitable Government quarters for, or paying suitable house-rent allowances to, Government servants up to a certain grade of pay ; and

(*b*) increasing the rates of allowance for tours and transfers or at least paying the actual expenses incurred, so that those concerned may not be out of pocket as a result of undertaking necessary tours and transfers in public interest.

(iv) Miscellaneous measures.

Fourthly, we make the following subsidiary suggestions as helpful :—

(i) The rules of transfer should be so framed and operated that while a Government servant is prevented from acquiring local interests he is at the same-time not subjected to undue hardship by transfers to distant places except for special reasons, especially in the case of lower subordinates ;

(ii) Government officers should be strictly forbidden to obtain commodities through their subordinates in the course of their tours and the practice of obtaining free supplies should be severely dealt with ;

(iii) confidential reports by superior officers about their subordinates should contain specific information as to their character and conduct even though no definite evidence of corrupt practice is available and also about the property owned or acquired by

them and the extent of indebtedness, if any. Suitable disciplinary action should be taken in cases of adverse reports for three consecutive years;

(iv) Deputy Commissioners and other executive officers should mention in their diaries and journals the number and nature of surprise inspections conducted by them and the results. Heads of Departments also should report to Government once in a quarter the nature and the results of surprise inspections held by them;

(v) all the existing Rules and Standing Orders regarding the conduct of Government Servants and other anti-corruption measures should be embodied in a booklet to be prescribed as a compulsory subject for all departmental examinations;

(vi) public servants should be enjoined to report at once to the immediate superior authority any case in which they have been offered illegal gratification;

(vii) deterrent and exemplary punishments should be awarded in cases proved in court or in departmental enquiries. In cases of conviction, the public servant concerned should be dismissed and also denied the service benefits;

(viii) the results of enquiries in bribery cases ending in punishments should invariably be published in the Gazette;

(ix) rewards may be given for information as to the offer of bribes and as to the transaction effected and such a policy widely notified;

(x) a direction to all Heads of Departments should be given that if five respectable persons were to join in making a written complaint in regard to a case in which they have no personal interest either directly or indirectly, alleging corrupt conduct on the part of any official of any department, the departmental superior of the official complained against should make a full investigation into the case, and if corrupt conduct is suspected, take disciplinary action against the Government Servant concerned;

(xi) where there is any suspicion that a bribe has been given under pressure, the bribe-giver should be exempted from prosecution, or in other cases in which Government or the Special Officer or the Head of the Department thinks fit;

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(xii) a Vigilance Committee of an advisory character may be set up in each District with the Deputy Commissioner as Chairman, and the District Superintendent of Police, the District Board President and two non-officials elected by the District Board as members, to co-operate with the Special Officer's department, and in particular to conduct propaganda against the giving of bribes by the public and against corruption in general;

(xiii) a Central Vigilance Committee of an advisory character for the State may also be constituted with the Special Officer as Chairman and two senior Heads of Departments, two elected L. C. Members and four elected R. A. Members as members;

(xiv) a system of audit independent of the Executive Government should be instituted to scrutinise Post-War expenditure with a view to avoid leakages; and

(xv) necessary legislation may be undertaken to compel Banks, Joint-stock Companies, Insurance Companies, etc., to disclose information regarding deposits and other transactions of Government servants with them.

CONCLUSION.

148. **Acknowledgments.**—It now remains for the Committee to place on record their acknowledgments to all the official and non-official gentlemen and the public bodies who have sent in their answers to the Questionnaire issued to them and for the trouble they have taken in giving a frank and lucid expression of their views in respect of all the delicate matters involved.

149. It is also our duty in this connection to place on record our high appreciation of the manner in which the Secretary of the Committee, Mr. D. K. Srinivasachar, B.Sc. (Hons.), has discharged his duties, and the industry and ability which he has brought to bear on his work, which, needless to say, has greatly helped the Committee during the different stages of its investigations.

150. We may also add that the Secretariat staff attached has shown praiseworthy devotion to duty and has often worked overtime to get through the work entrusted to it.

151. Lastly, our thanks are due to the Principal, Sri Krishnarajendra Silver Jubilee Technological Institute, for having placed at the disposal of the Committee, necessary accommodation in the Technological Institute building for the Committee's office during the period of its activities.

ALBION RAJKUMAR BANERJI,
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BANGALORE,
March 1, 1946.

* Subject to a Supplemental Note attached